DEPARTMENT OF JUSTICE

QUEEN'S PRINTER REVOLVING FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2001

Provincial Auditor Saskatchewan

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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the Queen's Printer Revolving Fund as at March 31, 2001 and the statements of operations and accumulated operating surplus and changes in accumulated net expenditure/recovery for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
August 10, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

DEPARTMENT OF JUSTICE
QUEEN'S PRINTER REVOLVING FUND
BALANCE SHEET
As at March 31

	2001	2000 (Note 11)
ASSETS		
Current:		
Accounts receivable	$ 139,435	$ 88,106
Inventories	14,691	32,960
Prepaid expenses	399	898
Other assets	1,123	100
Total current assets	155,648	122,064
Capital assets (Note 5)	33,223	24,382
Total Assets	$ 188,871	$ 146,446
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts payable	$ 87,632	$ 60,966
Unearned revenue (Note 6)	72,244	79,065
	159,876	140,031
Non-current liabilities:		
Accumulated net (recovery)/expenditure (Statement 3)	(37,917)	(15,784)
Fund Equity:		
Accumulated operating surplus (Statement 2)	66,912	22,199
Total Liabilities and Fund Equity	$ 188,871	$ 146,446

(See accompanying notes to financial statements)

DEPARTMENT OF JUSTICE
QUEEN'S PRINTER REVOLVING FUND
STATEMENT OF OPERATIONS AND ACCUMULATED OPERATING SURPLUS
For the Year Ended March 31

	2001 Budget (Note 9)	2001 Actual	2000 Actual (Note 11)
Sales	$ 797,250	$ 901,669	$ 782,730
Cost of goods sold	(357,000)	(352,850)	(296,878)
Gross profit	440,250	548,819	485,852
Expenses			
Salaries	370,000	397,496	398,548
Information technology	12,500	30,977	25,098
Amortization	18,000	22,298	24,815
Telephone	12,000	11,248	10,480
Office supplies	15,000	12,275	9,899
Other	29,000	29,812	16,994
Total expenses	456,500	504,106	485,834
Net (loss) income	(16,250)	44,713	18
Accumulated operating surplus, beginning of year	13,431	22,199	22,181
Accumulated operating surplus, end of year (Statement 1)	$ (2,819)	$ 66,912	$ 22,199

(See accompanying notes to financial statements)

DEPARTMENT OF JUSTICE
QUEEN'S PRINTER REVOLVING FUND
STATEMENT OF CHANGES IN ACCUMULATED NET EXPENDITURE/RECOVERY
FOR THE YEAR ENDED MARCH 31

	2001	2000 (Note 11)
Financing (provided by) required for operating activities:		
Net (income)	$ (44,713)	$ (18)
Items not affecting working capital -amortization	(22,298)	(24,815)
Net increase/(decrease) in working capital items related to operations (Note 7)	13,739	(35,806)
	(53,272)	(60,639)
Financing required for investing activities:		
Purchase of capital assets	31,139	25,318
Net (recovery)/expenditure	(22,133)	(35,321)
Accumulated net (recovery)/expenditure, beginning of year	(15,784)	19,537
Accumulated net (recovery)/expenditure, end of year - to Statement 1	$ (37,917)	$ (15,784)

(See accompanying notes to financial statements)

DEPARTMENT OF JUSTICE
QUEEN'S PRINTER REVOLVING FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2001

1. Authority and Definition of Reporting Entity

The Revolving Fund operates under the authority of Section 9.1 of *The Queen's Printer's Act*. The purpose of the revolving fund is to provide a mechanism for printing, publishing and distributing government documents and publications to the public.

2. Accounting Policies

The financial statements are prepared using Canadian generally accepted accounting principles. These financial statements do not present a cash flow statement because the required cash flow information is readily apparent from the Statement of Changes in Accumulated Net Expenditure/ Recovery and Note 7. The following accounting policies are considered significant:

a) Net Expenditure/(Recovery)

The net expenditure/(recovery) is the cash flow from/(to) the General Revenue Fund. It represents the total annual financing requirements resulting from net capital acquisitions, working capital changes and net cash flows from operations.

b) Accumulated Net Expenditure/(Recovery)

The accumulated net expenditure/(recovery) of the fund includes the following:

i) the net cash expenditure/(recovery) for each fiscal year; and

ii) the book value of assets acquired at no charge from other government agencies.

c) Inventories

Inventories are valued at the lower of average cost and net realizable value. Inventories consist of unsold Acts and Publications, books and loose-leaf releases and binders.

d) Capital Assets

Amortization is calculated on a straight-line basis at an annual rate of 10% of acquisition value for furniture, 20% for equipment, and 33 1/3% for computer hardware and software.

3. Authorized Financing

Subsection 9.1(10) of *The Queen's Printer's Act* specifies that the maximum amount of accumulated net expenditures which may be outstanding at any time will be set by order of the Lieutenant Governor in Council. A maximum amount of $150,000 was established by Order in Council 667/89.

4. Accumulated Operating Surplus / Deficit

Treasury Board controls the operations of the Revolving Fund, in part by monitoring the amount of its accumulated operating surplus/deficit. If the amount falls above or below the limit specified by Treasury Board, management is responsible to present a plan to address the excess surplus/deficit for approval by Treasury Board. Plans may include, but are not limited to, payment of excess surpluses to, or requests for additional funding from, the General Revenue Fund. The limit for the Queens Printer Revolving Fund is $100,000.

5. Capital Assets

	2001			2000
	Acquisition Value	Accumulated Amortization	Net Book Value	Net Book Value
Computer Hardware	$ 186,883	$ 160,981	$ 25,902	$ 18,983
Computer Software	26,911	25,304	1,607	0
Equipment/Furniture	21,217	15,503	5,714	5,399
	$ 235,011	$ 201,788	$ 33,223	$ 24,382

6. Unearned Revenue

Subscriptions to *The Saskatchewan Gazette* and the Queen's Printer Electronic Subscription Service are considered unearned revenue for those months that the subscription extends beyond the fiscal year.

7. Net Change in Working Capital Items Related to Operations

	2001	2000
Increase(decrease) in accounts receivable	$ 51,329	$ (55,553)
(Decrease) in inventory	(18,269)	(42,667)
Increase/(decrease) in prepaid expenses	(499)	898
Increase in other assets	1,023	---
(Increase)/decrease in accounts payable	(26,666)	63,863
(Increase)/decrease in unearned revenue	6,821	(2,347)
	$ 13,739	$ (35,806)

8. Related Party Transactions

These financial statements include transactions with related parties. The Revolving Fund is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Revolving Fund is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are settled on normal trade terms. These transactions, and amounts outstanding at year end, are as follows:

Category	2001	2000
Expenses	$102,358	$113,142
Accounts payable	11,770	6,364

Publications are sold and services are provided to related parties at amounts agreed to by the parties. These amounts are lower than those charged to other customers.

These transactions and amounts outstanding at year end are as follows:

Category	2001	2000
Revenue	$ 384,522	$ 288,118
Accounts receivable	83,451	52,441

In addition, the Revolving Fund pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and notes thereto.

In accordance with established government policy, the Revolving Fund has not been charged with certain occupancy, financing and administrative costs. These costs have been absorbed by the various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.

9. Budget

These amounts are included in the budget submitted to Treasury Board for approval. Treasury Board approves the Revolving Fund's budget annually.

10. Financial Instruments

The Revolving Fund's financial instruments include accounts receivable and accounts payable. Due to their immediate and short-term nature, the fair value of these instruments approximates the carrying value.

The fair value of the accumulated net expenditure has been omitted because it is not practicable to determine the fair value with sufficient reliability.

11. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

12. Amount Reported in the Public Accounts

The net (financing requirement)/recovery of the Revolving Fund reported in the Public Accounts is the net income of the Revolving Fund adjusted for the following differences in accounting policies and other adjustments between the Revolving Fund and the General Revenue Fund.

	2001	2000
Net income	$ 44,713	$ 18
Amortization expense	22,298	24,815
Decrease in inventory	18,269	42,667
(Increase) in net capital assets	(31,139)	(25,318)
Timing differences in recording transactions	(298)	4,432
Net (financing requirement)/recovery, reported in the Public Accounts	$ 53,843	$ 46,614